

## Note on reporting retirement interest-only mortgages in product sales data

We have received some queries regarding how to report retirement interest-only (RIO)<sup>1</sup> mortgages as part of product sales data (PSD) reporting. These enquiries suggest that firms are reporting on these mortgages in different ways. To assist, this note draws together and restates existing guidance on how to report RIOs in PSD001 (Sales Data) and PSD007 (Performance Data). It also provides information on appropriate dummy values where a reporting field requires completion but is not relevant for the particular product type.

<b>PSD001 (Sales Data)</b>	
<b>Field name</b>	<b>How to report</b>
Type of mortgage	RI = retirement interest-only mortgage
Method of repayment	I = interest-only
Is this an interest roll-up?	No
Term of mortgage	It is not possible to enter anything into this field if 'type of mortgage' is 'RI'.
Type of borrower	This field could be reported as any of the codes (depending on the customer's situation). <u>RIOs would not generally be expected to be reported as type 'O' unless they are on a second charge basis.</u>
Repayment strategy	This field can be reported using one of the several codes available (such as 'M = sale of mortgaged property') but would <u>not be expected to be reported as 'L'</u> . Code 'L' would only be relevant where it was known at the outset that the customer would be granted a lifetime mortgage to refinance the RIO.

<sup>1</sup> In March 2018, the FCA amended its handbook rules to classify retirement interest-only mortgages (RIOs) separately from lifetime mortgages. Further information on this is available at: <https://www.fca.org.uk/publication/handbook/handbook-notice-53.pdf> (Chapter 3 summarises the response to previous consultation on the subject).

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<b><u>PSD007 (Performance Data)</u></b>	
<b>Field name</b>	<b>How to report</b>
Original term of loan	This should be reported as 9999 (mortgage term is not relevant for a retirement interest-only mortgage, therefore '9999' should be inserted as a dummy value instead)
Remaining term of mortgage	This should be reported as 9999 (mortgage term is not relevant for a retirement interest-only mortgage, therefore '9999' should be inserted as a dummy value instead)
Months past maturity	Report '0'
Current method of repayment	I = interest-only